

The Helderleigh Foundation

**Financial Statements
November 30, 2020**

The Helderleigh Foundation

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Independent Auditor's Report

To the Directors of
The Helderleigh Foundation

Opinion

We have audited the financial statements of The Helderleigh Foundation (the Foundation), which comprise the statement of financial position as at November 30, 2020, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at November 30, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Comparative Information

We draw attention to Note 2 in the financial statements which describes that the Foundation adopted Canadian accounting standards for not-for-profit organizations on December 1st, 2019 with a transition date of December 1st, 2018. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at November 30, 2019 and December 1st, 2018, and the statements of operations, changes in net assets and cash flows for the year ended November 30, 2019, and related disclosures. Our opinion is not modified in respect of this matter.

We were not engaged to report on the comparative information, and as such, it is unaudited.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

MONTRÉAL

1981 McGill College
Montréal QC H3A 0G6
514.934.3400

TORONTO

181 Bay St., #3510
Bay Wellington Tower
Toronto ON M5J 2T3
416.488.2345

CHICAGO

200 South Wacker Dr., #3100
Chicago, IL 60606
312.828.0800

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Montréal, Quebec
April 26, 2021

The Helderleigh Foundation

Statement of Financial Position As at November 30, 2020

	2020	2019	As at
	\$	(Unaudited)	December 1st,
		\$	2018
			(Unaudited)
			\$
Assets			
Current			
Cash	135,153	78,189	44,247
Sales taxes receivable	8,019	4,927	8,065
Prepaid expenses	-	-	858
Marketable securities	17,185,663	14,630,226	13,283,236
Loan receivable, company controlled by director	4,359	-	-
	17,333,194	14,713,342	13,336,406
Liabilities			
Current			
Accounts payable and accrued liabilities	34,763	24,874	19,966
Loan payable, company controlled by director	-	249	-
	34,763	25,123	19,966
Commitments (note 4)			
Net assets	17,298,431	14,688,219	13,316,440
	17,333,194	14,713,342	13,336,406

See accompanying notes

Approved on behalf of the board

_____, Director

The Helderleigh Foundation

Statement of Changes in Net Assets For the Year Ended November 30, 2020

	2020	2019 (Unaudited)
	\$	\$
Balance - beginning of year	14,688,219	13,316,440
Excess of revenues over expenses	2,610,212	1,371,779
Balance - end of year	17,298,431	14,688,219

See accompanying notes

The Helderleigh Foundation

Statement of Operations For the Year Ended November 30, 2020

	2020	2019 (Unaudited)
	\$	\$
Income		
Dividends	254,969	115,276
Donations	3,087,038	934,144
Interest income	14,358	19,975
Other investment income	181,546	389,728
	3,537,911	1,459,123
Expenses		
Taxes and licences	1,288	6,501
Professional fees	95,362	28,987
Travel	1,148	7,003
Donations	1,546,615	1,196,570
Office and general	5,001	8,565
Seminars and events	-	7,859
Investment fees	69,024	67,595
Meals and entertainment	449	2,452
Foreign exchange loss (gain)	943	(192)
	1,719,830	1,325,340
Excess of revenues over expenses before undernoted item	1,818,081	133,783
Change in fair value and foreign exchange of marketable securities	792,131	1,237,996
Excess of revenues over expenses	2,610,212	1,371,779

See accompanying notes

The Helderleigh Foundation

Statement of Cash Flows For the Year Ended November 30, 2020

	2020	2019
	\$	(Unaudited) \$
Operating activities		
Excess of revenues over expenses	2,610,212	1,371,779
Change in fair value and foreign exchange of marketable securities	(792,131)	(1,237,996)
	1,818,081	133,783
Net change in non-cash working capital items	6,797	8,904
	1,824,878	142,687
Investing activities		
Marketable securities	(1,763,306)	(108,994)
Loan receivable, company controlled by director	(4,359)	-
	(1,767,665)	(108,994)
Financing activity		
Loan payable, company controlled by director	(249)	249
Increase in cash	56,964	33,942
Cash - beginning of year	78,189	44,247
Cash - end of year	135,153	78,189

See accompanying notes

The Helderleigh Foundation

Notes to Financial Statements November 30, 2020

1. Purpose of Foundation

The Foundation is a Toronto-based charitable organization that is dedicated to enhancing food and media literacy to children. The Foundation partners with reputable organizations who undertake research and who implement programming to promote a healthy and enjoyable relationship with food. The Foundation was incorporated under the Canada Not-for-profit Corporations Act and is a registered charity under the Income Tax Act.

2. Basis of accounting

The Foundation has elected to apply Canadian accounting standards for not-for-profit organizations (ASNFPO) in Part III of the CPA Canada Handbook – Accounting.

These financial statements are the first for which the Foundation has applied ASNFPO.

CPA Canada Handbook – Accounting Section 1501, First-time adoption by not-for-profit organizations (Section 1501) has been applied in order to effect the transition. The date of transition is December 1st, 2018. The general principle underlying ASNFPO is that a first-time adopter should prepare its financial statements as if it had always accounted under ASNFPO. As such, all standards have been applied retrospectively. However, in view of the work that may be involved in carrying this out, Section 1501 provides for some mandatory and optional exemptions from the full retrospective application of ASNFPO.

The adoption of these standards did not have any impact on the net assets at the date of transition. The adoption did not have any impact on the excess of revenue over expenses of the Foundation for the most recent previously issued financial statements for the year ended November 30, 2019.

3. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Foundation also applies the Canadian accounting standards for private enterprises to the extent that these standards address topics not addressed in Canadian accounting standards for not-for-profit organizations.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The Helderleigh Foundation

Notes to Financial Statements November 30, 2020

3. Significant accounting policies (continued)

Revenue recognition

The Foundation follows the deferral method of accounting for contributions.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Dividends, interest income and other investment income are recognized as revenue when earned.

Foreign currency translation

Accounts in foreign currency have been translated into Canadian dollars as follows:

Monetary assets and liabilities denominated in foreign currencies are translated at balance sheet date exchange rates. Other assets and liabilities are translated at rates in effect at the date the assets were acquired and liabilities incurred. Revenue and expenses are translated at the rates of exchange in effect at their transaction dates. The resulting gains or losses are recognized in excess of revenues over expenses.

Financial instruments

The Foundation initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions. The Foundation subsequently measures its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value with changes in fair value recognized in excess of revenues over expenses.

Financial assets subsequently measured at amortized cost are tested for impairment when there are indicators of possible impairment. Any impairment loss is recognized in excess of revenues over expenses. The previously recognized impairment loss may subsequently be reversed to a maximum of the amortized cost that would have been reported at the date of the reversal had the impairment not been recognized previously.

The carrying amount of the financial instruments that are subsequently measured at amortized cost is adjusted by the transaction costs, which are recognized in excess of revenues over expenses using the straight-line method. Transaction costs related to financial instruments that are subsequently measured at fair value are recognized in excess of revenues over expenses in the period incurred.

4. Commitments

On August 6, 2019, the Foundation became a limited partner in RENEWAL4, a private equity fund based in Vancouver. The subscription was for \$500,000. As of November 30, 2020, \$187,500 was contributed, leaving a remaining commitment of \$312,500.

The Helderleigh Foundation

Notes to Financial Statements November 30, 2020

4. Commitments (continued)

The commitments of the Foundation under gift agreements to charities aggregate to \$1,559,000. The annual payments are approximately as follows:

	\$
2021	808,000
2022	451,000
2023	300,000

5. Related party transactions

Loan receivable, company controlled by director is non-interest bearing and due on demand.

Included in donation income is \$1,400,000 (2019 - \$820,000) donated by a director and \$1,687,038 (2019 - \$114,144) donated by a company controlled by a director.

6. Financial instruments

The Foundation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Foundation's risk exposure as at the statement of financial position date.

Other price risk

The Foundation is exposed to securities price risk because of its investment portfolio. To manage its price risk arising from investments in securities, the Foundation diversifies its portfolio.

Credit risk

The Foundation is exposed to credit risk in the event of non-performance by counterparties associated with its investments. The Foundation reduces this risk to a minimum by investing only in securities issued by what management believes to be financially sound counterparties, and does not anticipate significant loss for non-performance.

Liquidity risk

Liquidity risk is the risk the Foundation will have difficulty in meeting obligations associated with financial liabilities. Prudent management of liquidity risk implies retaining a sufficient level of liquidities and arranging for appropriate credit facilities. The Foundation believes that its recurring financial resources are adequate to cover all its expenditures.

The Helderleigh Foundation

Notes to Financial Statements November 30, 2020

6. Financial instruments (continued)

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Foundation realizes income in foreign currency. Consequently, some assets are exposed to foreign currency fluctuations. As at November 30, 2020, assets in foreign currency are the following:

	2020		2019	
	U.S. dollars \$	Canadian dollars \$	U.S. dollars \$	Canadian dollars \$
Cash	59,000	76,000	17,000	23,000
Marketable securities	4,786,000	6,205,000	4,004,000	5,322,000

7. Impact of COVID-19

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") as a global pandemic, which continues to spread throughout Canada and around the world.

Management is aware of fluctuations in the value of the Foundation's investments during the year.

Management cannot predict the impact of potential changes that the COVID-19 crisis could have on the value of the investments in the future. As a result, we are not able to estimate the potential impact on the Foundation's investments as of the date of this report.